STAND. COM. REP. NO. 2410

Honolulu, Hawaii

FEB 1 6 2018

RE: S.B. No. 2390

Honorable Ronald D. Kouchi President of the Senate Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2390 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to establish that the requirements of ethical public procurement and the procurement code of ethics established by the Procurement Policy Board apply to all parties to procurement contracts that are otherwise exempted from the procurement code.

Your Committee received testimony in support of this measure from the State Procurement Office and one individual.

Your Committee finds that ethical behavior in the procurement process is paramount for maintaining public confidence in government. Under existing law, certain parties to procurement contracts are exempt from the provisions of the procurement code, including the requirements of ethical public procurement and the procurement code of ethics. Your Committee finds that these existing exemptions leave open the possibility of unethical behavior relating to the negotiation, performance, or administration of certain procurement contracts. Therefore, your Committee finds that the procurement code should be amended to specify that notwithstanding any other exemptions from the requirements of the procurement code all parties to procurement contracts made pursuant to the code should meet the requirements

of the ethical procurement and the procurement code of ethics to ensure proper and accountable government functioning.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2390 and recommends that it pass Second Reading and be referred to your Committee on Judiciary.

Respectfully submitted on behalf of the members of the Committee on Government Operations,

DONNA MERCADO KIM, Chair

The Senate Twenty-Ninth Legislature State of Hawaiʻi

Record of Votes Committee on Government Operations GVO

Bill / Resolution No.:*	Committee Referral: Date:				
SB 2390	avo, Goc 2/13/18				
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)		X			
RUDERMAN, Russell E. (VC)		X			
GALUTERIA, Brickwood		X			
KEITH-AGARAN, Gilbert S.C.					X
RHOADS, Karl		X			
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TOTAL	2	U	0	0	1
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenro File with Committee Report Clerk's Office Drafting Agency Committee File					

*Only one measure per Record of Votes